



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1394

DIFI; business name; trade name

Purpose

Outlines procedures and requirements for licensees under the jurisdiction of the Department of Insurance and Financial Institutions (DIFI) when doing business under an assumed name or trade name.

Background

DIFI licenses and authorizes the transaction of insurance business by insurers, producers and other enterprises and regulates state-chartered financial entities, including sales finance companies, consumer lenders, mortgage bankers, mortgage brokers and real estate appraisal entities ([A.R.S. Title 6](#)).

Certain licensees may not advertise for or solicit business in any manner without using the name and license number as issued on the business license, except that a licensee may employ or refer to the commonly used name and any trademarks or service marks of any affiliate (A.R.S. §§ [6-903](#); [6-943](#); [6-991.02](#); and [44-282](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Stipulates that if a consumer lender or any person under the jurisdiction of DIFI notifies DIFI in writing before using an assumed name or trade name, the consumer lender or person is not required to obtain a separate license when doing business under the assumed name or a trade name, unless otherwise required.
2. Requires any person under the jurisdiction of DIFI or a consumer lender using an assumed name or trade name to notify the Director of DIFI within 15 days after any material change to the information provided to DIFI prior to using the assumed name or trade name.
3. Prohibits a licensee from using an assumed name or trade name that either:
 - a) is so substantially similar to the assumed name or trade name of another licensee that it may cause uncertainty or confusion among the public; or
 - b) tends to deceive or mislead the public as to the nature of business that the licensee conducts.
4. Prohibits an individual from using an assumed name or trade name if the person is a licensed, certified or registered loan originator, real estate appraiser or property tax agent.

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5. Requires a debt management company's advertising, communication and sales materials to contain the license name or other assumed name or trade name that has been submitted to DIFI.
6. Requires a mortgage broker, commercial mortgage broker or mortgage banker licensee to include the licensee's assumed name or trade name when advertising for or soliciting mortgage business.
7. Prohibits a sales finance company licensee from transacting business without using the license name or other assumed name or trade name submitted to DIFI.
8. Makes technical changes.
9. Becomes effective on the general effective date.

Prepared by Senate Research

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MG/slp